



Vital for Luxembourg:

EMPOWERING EU BUSINESS

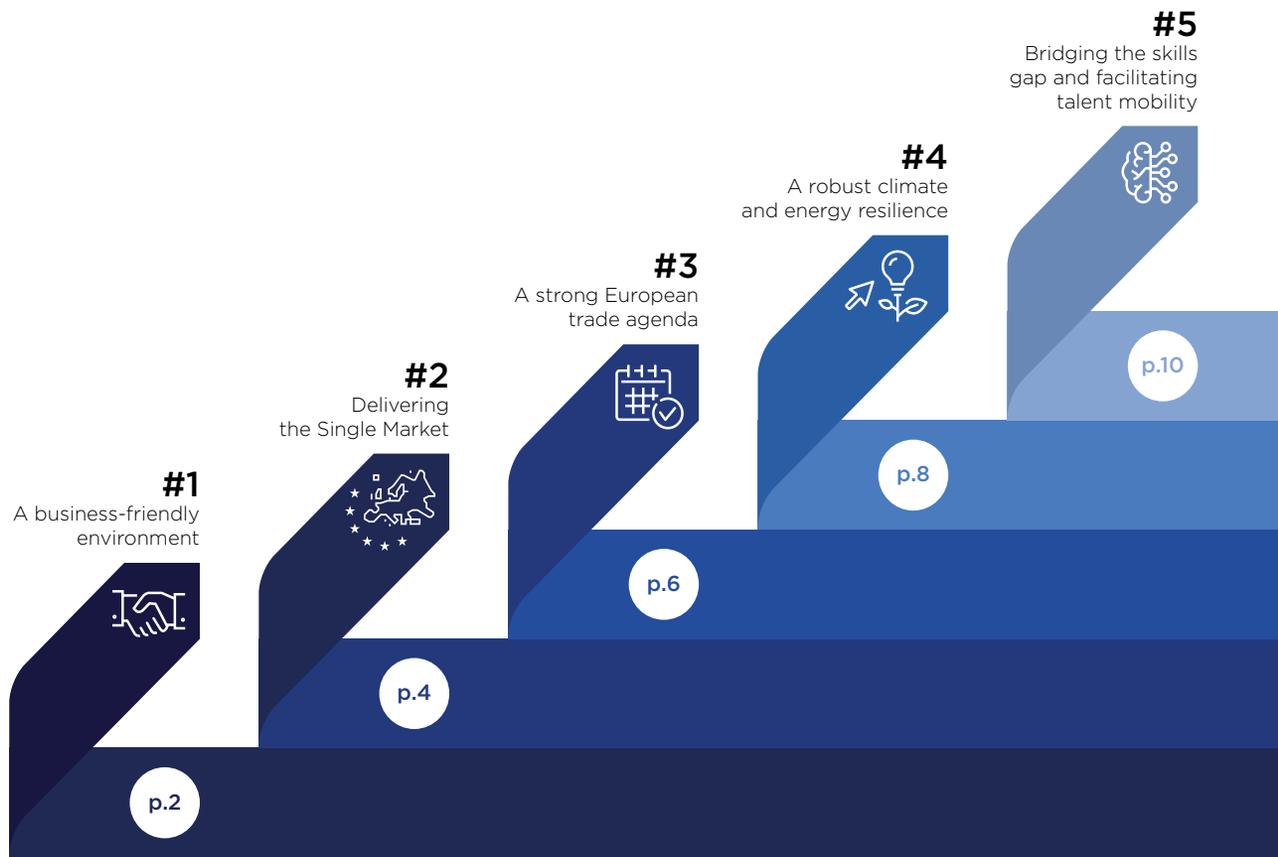
across and beyond borders

CHAMBER
OF COMMERCE
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POWERING BUSINESS

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Summary



Empowering EU Business

Businesses play an active and fundamental role in the economy by taking leadership in handling systemic societal and economic challenges.



They deliver the fuel for our welfare states and make the green and digital transition happen. They are committed to play their part and can do even more if the enabling framework conditions are in place.

With the 2024 European elections approaching, policymakers have a unique opportunity to set new priorities for the 2024-2029 period in collaboration with companies. This means ensuring a business-friendly environment, delivering the Single Market, pursuing a strong European trade agenda, striving for robust climate and energy resilience, bridging the skills gap and facilitating talent mobility.

More informations:



A business-friendly environment

EU policies and legislation have a significant impact on the way businesses across Europe operate and the level of success they can achieve. The EU's legislative stockpile and potential new rules must thus be based on a more careful consideration of the needs of businesses, especially SMEs, by all policymakers at all stages. European resilience and competitiveness hinge on a thriving business community.



RECOMMENDATIONS

#1

APPLY BETTER REGULATION PRINCIPLES THROUGHOUT THE LEGISLATIVE PROCESS

- Co-legislators should guarantee the consistency of the overall legislative framework and have in mind the “user perspective” while proposing, negotiating and enacting legislative proposals.
- Impact assessments on substantive amendments should be made mandatory rather than just on request of European Parliament lead committees. Whenever substantive amendments repeal the intended benefits, the Commission should withdraw the proposal.
- The principle of proportionality should allow for balanced policies, and impact assessments should identify and quantify the trickle-down effect of new legislation on SMEs.

EVIDENCE-BASED POLICY MAKING

- Rushed legislative procedures and inadequate stakeholder participation must be avoided. It is imperative that the Commission ensures a thorough and inclusive process that considers the views and concerns of stakeholders and conducts a comprehensive impact assessment before enacting legislation.



REDUCE REPORTING REQUIREMENT AND COST OF COMPLIANCE

Businesses are reaching the regulatory saturation point.

- Pursue with great rigour the announced commitment to reduce administrative and reporting requirements by 25%. Take into account the cumulative burden of EU regulatory compliance on businesses. Map burdensome areas and swiftly proceed with implementing a European regulatory burden reduction programme.
- Prior to adopting new legislation, competitiveness checks should systematically be carried out to quantify and assess the expected compliance costs and reporting obligations and allow for a better level playing field towards third countries.

REINFORCE SME PARTICIPATION IN EU PROGRAMMES AND FACILITATE THEIR ACCESS TO EUROPEAN FUNDING

- Continue to facilitate SMEs' access to European funding by pursuing the administrative simplification of procedures for participation in European programs, to support innovation and entrepreneurial development.
- Consider strict European measures to mitigate the risk aversion of local banks, and encourage them to play their full role as local financial intermediaries to facilitate access to European financing.

COMPLETE THE CAPITAL MARKETS UNION

- In order to truly advance the Capital Markets Union, address the shortcomings of the proposal for a directive harmonising certain aspects of insolvency law, e.g. lack of a harmonised definition for insolvency for operational companies and minimum harmonisation requirements as regards the protection for the general body of creditors.

Delivering the Single Market

Centrepiece of the European construction process, the Single Market is Europe's main asset for ensuring inclusive growth and job creation, and the essential driver for investment in key industries. Much has been achieved since its creation 30 years ago, but remaining obstacles are undermining the capacity of companies to scale up from Europe. Hence, EU legislation and its enforcement should aim at deterring any national attempt to hinder the free movement of goods, services, capital and people across Member States. Unleashing the full potential of the Single Market is the most effective and cost-efficient way of delivering welfare gains, enhanced competitiveness, and social inclusion.



RECOMMENDATIONS

#2

STEP UP ENFORCEMENT OF EXISTING SINGLE MARKET RULES

- Avoid uneven transposition, gold-plating and enforcement which leads to fragmentation.
- Focus on the correct implementation of EU rules and faster enforcement in the Member States to secure fairer competition and economic growth. Dedicated resources and expertise should be boosted in order to assist Member States in their enforcement work.
- The Commission should make full use of its prerogatives as guardian of the Treaties and launch infringement procedures where necessary.

MAKE USE OF SINGLE MARKET CLAUSES IN EU LEGISLATION AND FOSTER THE APPLICATION OF THE COUNTRY-OF-ORIGIN PRINCIPLE

- Favour mutual recognition and maximum harmonisation throughout the negotiation process and refrain from allowing Member States to go beyond EU legislation in the transposition. The lack of mutual recognition and harmonisation adds to the fragmentation of the Single Market, triggers welfare losses and creates legal uncertainty, unnecessarily leading to referrals to the European Court of Justice down the line.
- Address the deficient application of the principle of mutual recognition, e.g. by striving for a better understanding of the principle, gaining an overview of hindrances to the principle, providing a legislative framework in order to enhance legal certainty and stimulating administrative cooperation.
- Uphold the country-of-origin principle as a fundamental tenet of Union law, as it allows to minimise costs related to the provision of goods and services, eliminating the need for businesses to navigate the complexities of 27 different national laws.



TACKLE OBSTACLES ENCOUNTERED IN TRADING SERVICES

Different national rules on services count among the main obstacles businesses are facing¹.

- Make sure the services notification procedure only allows the introduction of new rules at national level if justified, non-discriminatory and proportionate.
- Consider some of the features of the notification system for products as potential options to revise and improve the services notification procedure.

LIFT TERRITORIAL SUPPLY RESTRICTIONS

- Adopt EU legislation that prohibits territorial supply restrictions by introducing the freedom for retailers to source products in the EU countries of their choice. Such prohibition of abuse of economic dependency should be paired by effective remedies and fines.

ENCOURAGE AND PROMOTE EU CROSS BORDER COOPERATION

Particular attention should be paid to cross-border regions when developing action to strengthen the EU's economic, social and territorial cohesion. Despite significant efforts within the framework of European territorial cooperation, numerous obstacles continue to hamper cross-border cooperation.

- Restore discussions on the European cross-border mechanism to resolve legal and administrative obstacles.
- Take the EC proposal EUBridge² further with the aim of offering an operational EU instrument to support cross-border cooperation on the ground.

¹ [2024 Eurochambres Single Market Survey: overcoming obstacles, developing solutions - Eurochambres](#)

² based on the former proposal for a regulation on the European Cross-Border Mechanism (ECBM) initially launched under the impetus of the Luxembourg Presidency of the Council of the EU in 2015

A strong European trade agenda

The EU's trade policy should continue to focus on the delivery of a strong and ambitious trade agenda, enabling a better, easier and fairer access to markets. Businesses expect the EU to act as a unified force and a robust advocate for free trade, keeping a strategically dominant role in global trade negotiations. A pick-and-choose and contradictory trade agenda is slowing down Europe's economic and social cohesion without improving standards in the rest of the world.



RECOMMENDATIONS

#3

EXPAND THE EU'S NETWORK OF BILATERAL TRADE AGREEMENTS

- It is crucial that the EU continues to conclude trade agreements that offer access to new markets and open investment opportunities for European companies.
- The EU should engage stronger with world growth centres to finalise the adoption of trade agreements and initiate further mutually beneficial trade negotiations with other third country partners or regional blocs.
- Trade agreements currently put on ice, such as TTIP, must be reactivated and provide a unique opportunity to become an international standard-setter rather than taker.

CREATE A MODERN DIGITAL TRADE ECOSYSTEM

Whilst great progress is being made to digitise trade facilitation and customs documents, most jurisdictions around the world still require documents that transfer the possession of goods to be presented in paper form.

- Drive trade digitalisation and ensure a coherent EU approach for the interoperability of digital trade documents, avoiding future obstacles in intra-EU trade.

AN AMBITIOUS AND COHERENT IMPLEMENTATION OF EXISTING TRADE AGREEMENTS

- Work with the networks of Chambers of Commerce and Enterprise Europe Network to effectively convey and amplify the benefits of free trade agreements. This involves establishing strong partnerships and engaging in strategic communication initiatives to pursue the promotion of a comprehensive understanding of the advantages that these agreements bring to businesses and economies.



SECURE EUROPEAN'S OPEN AND STRATEGIC AUTONOMY

- Keep working towards transatlantic solutions to remedy the detrimental and discriminatory elements of the Inflation Reduction Act on European businesses and reducing costs of doing business across the Atlantic.
- Work for a balanced and mutually beneficial relationship with China, taking into account the risks but recognising the need to engage, safeguarding EU's interests to achieve reciprocal benefits.

ENCOURAGE SMEs TO DEVELOP THEIR ACTIVITIES IN THIRD COUNTRIES

Faced with global changes and uncertainties on the international scene, new support programmes are needed to facilitate business development and encourage partnerships in third countries more effectively.

- Relaunch the former JEV (Joint European Venture) programme in the current economic context is seen as strategically relevant to complement current policy measures in favour of SMEs.
- Consider initial structural weaknesses of the initiative and revise the details of its implementation to reflect the current economic realities.
- Such an initiative, supported by other existing instruments such as FTAs (Free Trade Agreements) could be beneficial to the expansion of European SMEs outside the EU.

A robust climate and energy resilience

EU sustainability policy initiatives must undergo refinement and reassessment to empower businesses of all sizes in navigating the green transition. It's crucial for these policies to not only sustain competitiveness for companies but also enhance it. This involves a strategic focus on fostering increased technological sovereignty, thereby catalysing and expediting the twin transition.



RECOMMENDATIONS

#4

SPEED UP EU'S ENERGY SOVEREIGNTY

- Develop a comprehensive European strategy to ensure consistent availability of sustainable energy at competitive and stable prices.
- Enhance measures that simultaneously consider security of supply, reasonable costs and climate-neutrality.
- Provide guidance on tangible ways for Member States to implement the objectives of the EU Green Deal with respect to their energy specificities.

CREATE FRAMEWORK CONDITIONS THAT ATTRACT LOW-CARBON INVESTMENTS

Provide businesses with planning security for the next 5 years.

- Frequently changing climate targets is not conducive to planning and investment security.
- The announcement of ambitious climate goals must be followed up by equally ambitious policy instruments to implement them effectively, without having to rely on compensating subsidies in the long run.



STRIKE A BALANCE BETWEEN PROMOTING ENVIRONMENTALLY RESPONSIBLE PRACTICES AND PROTECTING BUSINESSES FROM EXCESSIVE REGULATIONS

Ensure that sustainability requirements and climate ambition are pursued in a manner that is coherent with EU short- and long-term competitiveness.

- Carefully review the impact on EU competitiveness of the Green Deal proposals adopted during the previous mandate.
- Review and reevaluate the Fitfor55 package to determine what is going well, where it needs adaptation to the circumstances on the market.
- Gauge the feasibility to implement those measures for the business community.

MAKING LICENSING PROCEDURES FIT FOR CLIMATE FRIENDLY PROJECTS

- Introduce immediate simplification and accelerated permitting procedures for the installation of renewable energy projects (Net Zero Industry Act). These measures should cover all renewable energies equally.

CONTINUE EFFORTS TO SUPPORT SMES DRIVING SUSTAINABLE CHANGE

- Further develop direct financial support programmes such as EENergy within the Single Market Programme 2024-2025.
- Encourage SMEs to improve their energy efficiency performance while implementing sustainable change in their overall management, processes and production lines such as direct support to energy audits, technical consultations, trainings, data assessment or investments in energy-efficient technologies.

Bridging the skills gap and facilitating talent mobility



Human capital is one of Europe's competitive advantages and its only true remaining sustainable natural resource. Skills shortages are hindering businesses from growing, innovating and adapting to technological, environmental and societal change. The EU can play an integral part in developing the skills needed for the future.

RECOMMENDATIONS

#5

FACILITATE AND CONSIDER GENERALISING THE MUTUAL RECOGNITION OF QUALIFICATIONS

- Work towards the widest possible mutual recognition of qualifications to encourage intra-European mobility of workers.
- Consider the cross-border dimension and foster dedicated multilateral agreements to remove remaining obstacles in border regions.
- Simplify procedures for the recognition of foreign professional qualifications from third countries to encourage and enable faster recruitment of foreign talent.

CONTINUE TO PROMOTE INITIAL VOCATIONAL TRAINING

Increasing participation in vocational education and training is one way to empower businesses to succeed the twin transition.

- Increase the attractiveness of vocational education and its responsiveness to labour market needs.
- Step up efforts in promoting initial vocational training and dual training at all levels of education.
- Institutionalise the exchange of best practices among Member States to assess experience and success.
- Step up the mutual recognition of vocational training achievements and certifications across Europe.



FOSTER A CULTURE OF LIFELONG LEARNING

- Ensure constant adaptation to changes in the labour market by encouraging further investment in Lifelong learning. With flexibility and the possibility of progression, vocational education and training will be able to adapt to changes in the labour market.
- Encourage companies to invest in continuing vocational training that is directly linked to their strategy, through a training approach that must be collective, as opposed to individual training initiatives (individual training leave).

FACILITATE POSTING OF WORKERS

- Introduce a common digital form across Member States for the declaration of the posting of workers.
- Equip businesses with digital and easily accessible tools that will calculate the remuneration of a posted worker.

CLARIFY SITUATIONS THAT ARE NOT POSTING OF WORKERS

- Provide guidelines for a uniform interpretation by the Member States, avoiding an erroneous application of the Posting of Workers Directive. Companies operating in border regions are facing problems as some administrations or control authorities consider certain cross-border activities such as purchase with delivery of goods as “posting” and therefore require the relevant companies to comply with the legislation on “posting” rather than analysing the situation as falling in the purview of the free movement of goods (considering the delivery of goods as a subsidiary activity).



CONCEPT AND LAYOUT:

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